

# CUSTOMER SATISFACTION SURVEY 2019.



**KENYA BANKERS**  
ASSOCIATION

**“Customer service  
is an opportunity  
to exceed your  
customer’s  
expectations”**

**John Jantsch**

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# ABOUT THIS SURVEY

The survey instrument was developed by the Kenya Bankers Association (KBA) in collaboration with the Customer Service Working Group. The survey was deployed during the Customer Service Week of 2019, and was open for eight weeks (from August 6, 2019 to September 30, 2019). To ensure anonymity of respondents, it was administered through SurveyMonkey, an online survey tool with a unique URL that allows only one entry per respondent.

The sampling was random, with feedback being elicited through banks' social media and online platforms. As a result, 11,751 responses were obtained. To account for the likelihood of responses being skewed to banks with large customer bases, an inverse weighting approach was used to standardize statistics for sample representativeness.

It should be noted that the bulk of Kenya's banking public is multi-banked. On this consideration, therefore, the survey's responses were limited to one institution per question, ensuring that multi-banked clients selected from their best experience.



It is gratifying to note that the banking industry has sustained efforts geared towards providing a better customer experience to the banking public.

## FOREWORD

**Dr. Habil Olaka**

CEO Kenya Bankers Association

The banking industry is a major cog in the growth and development of an economy. Banks play this role by facilitating access to finance for both the public and private sectors, enabling enterprise growth and encouraging further investment. Hence the adage that the presence of a vibrant banking sector translates to a better performing economy and vice-versa.

In Kenya, financial services institutions recognise this pivotal position and their input in actualising development prospects. For this reason, the banking industry has over the years continued to roll out initiatives designed to maximise the sector's contribution to the national development agenda.

### Responsive Banking Industry

These efforts include the industry's Strategic Plan, which aspires to – among other things – catalyze more innovation to enhance operational efficiency and effective service delivery across banking channels. Themed 'A Responsive Banking Industry' the Plan seeks to reduce the cost of credit, enabling more citizens to access formal credit in what will deepen financial inclusion in the economy.



Initiated in 2018, the Kenya Bankers Association Customer Satisfaction Survey is among the initiatives that aim to support the aspirations of the Strategic Plan. The survey tracks the views of bank customers with regard to both customer service and experience.

Importantly, this survey has featured questions hinged on Central Bank of Kenya's Banking Sector Charter as part of the industry's keenness to entrench compliance to regulatory requirements, with a deliberate focus on the Charter's guidelines on consumer protection. It is gratifying that the survey received 11,751 responses, a rise from the 6,121 responses that were received in 2018.

From this survey's findings, it is noteworthy that the banking industry has sustained efforts geared towards providing a better customer experience to the banking public. As attested by the findings, bank customers recognise the industry's commitment to responding to the public's customer experience needs and enhancing service delivery.

### Technology and Innovation

It is discernible that innovation has continued to be a key driver of customer satisfaction, particularly in the realm of service channels. From the survey, while technology has become an integral part of banking, human interactions continue to be paramount in customer service.

Without a doubt, the insights obtained from this survey will be instrumental in reinforcing the industry's strategies to further deepen growth in financial services sector and enhancing customer satisfaction. The banking sector will continue to be open and willing to

take suggestions on ways banks can make banking services more exciting and convenient.

In conclusion, I would like to express gratitude to our member banks for making this survey possible. I acknowledge the crucial contribution by the Customer Service Working Group in refining the survey tool. We are also grateful to the Institute of Customer Service, the Competition Authority of Kenya and the Consumer Grassroots Association for partnering with us last year in this initiative. The Association would also like to thank the public for taking time to provide feedback to the survey.


# SURVEY RESPONSES

# 11,751




# SURVEY HIGHLIGHTS

## SURVEY DEMOGRAPHICS

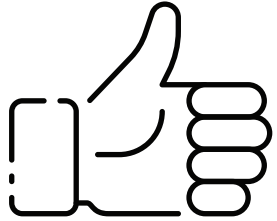
66% 

34% 


## MULTI BANKED

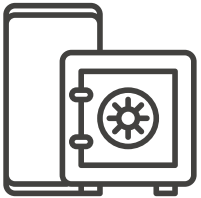
63% 

## CUSTOMER SATISFACTION RATE

83% 

## INTERACTIONS PREFERENCES

34%   
Internet

57%   
Mobile



## 1. BANK RANKINGS

The chart below presents the ratings of banks on two dimensions; overall rating and digital experience.

### OVERALL RATINGS



### BANK'S RANKING ON DIGITAL EXPERIENCE

#### Tier I Banks



#### Tier II Banks



#### Tier III Banks



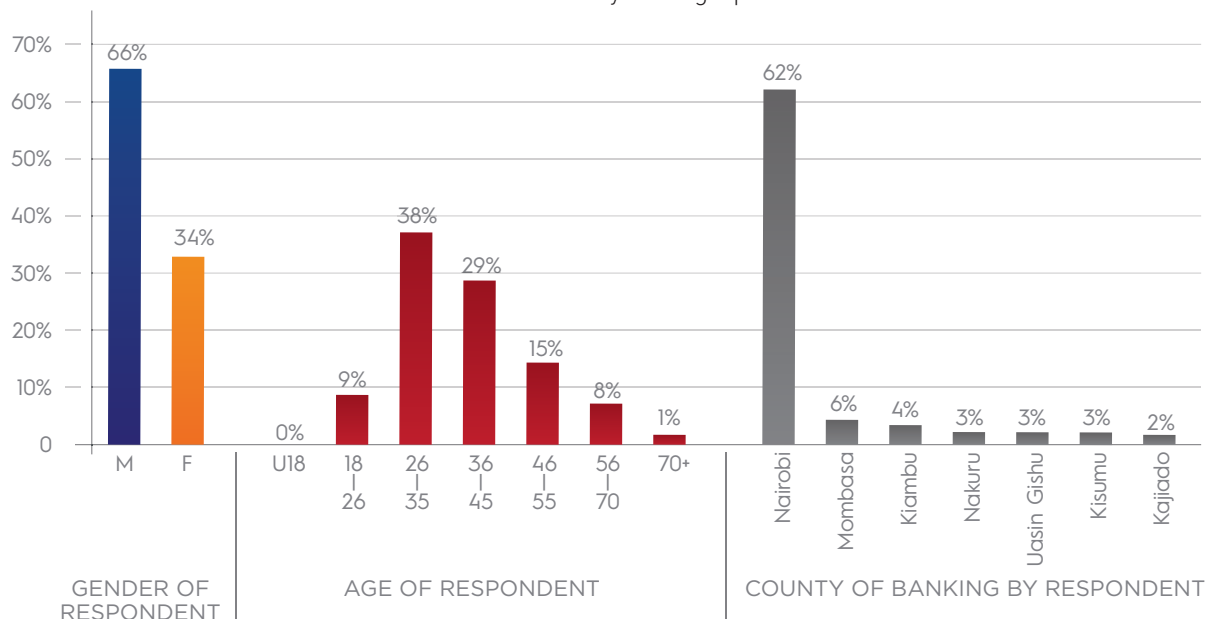


## 2. SURVEY DEMOGRAPHICS

More than two-thirds (66 percent) of respondents were male and a third (34 percent) female. In terms of age, the majority (38 percent) were aged between 26-35 years, 29 percent between 36-45 years, 15 percent between 46-55 years, 9 percent aged between 18-25 years, 8 percent between 56-70 years, one percent were above 70 years of age while 0.1 percent were under 18 years.

In terms of the county of banking, 62 percent of the respondents were based in Nairobi county, 6 percent being from Mombasa County, 4 percent from Nakuru County, 3 percent from Uasin Gishu county and another 3 percent being from Kisumu county (Figure 1).

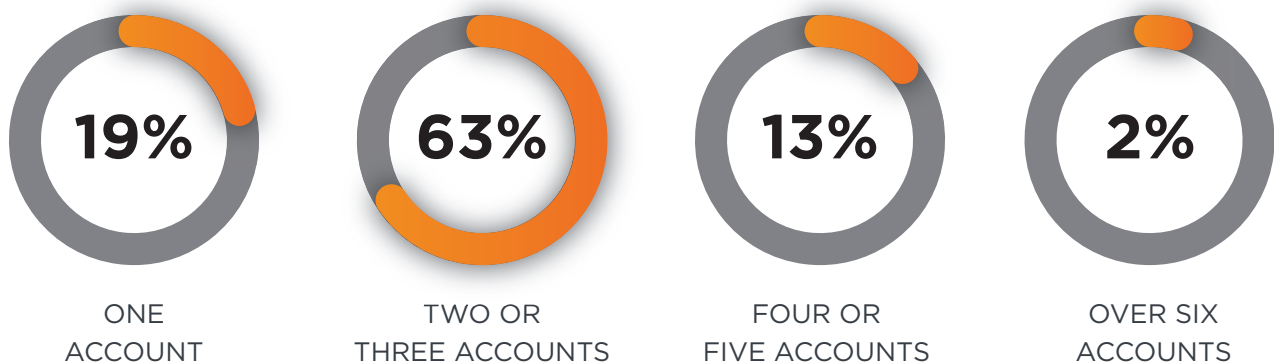
FIGURE 1: Survey demographics



## 3. MULTI-BANKING AMONG CUSTOMERS

Over half of the respondents (63 percent) hold two or three accounts, 19 percent hold one account, 13 percent hold between four and five accounts, and 2 percent hold over six accounts (Figure 2).

FIGURE 2: Multi-banking among bank customers



## 4. CONSUMER ATTITUDES TOWARDS BANKING

### 4.1 Responsiveness and Service Delivery

In 2019, the customer satisfaction level remained high at 83 percent (Figure 3) with 73 percent of the respondents indicating banks doing well in being responsive to the needs of customers as well as in service delivery. Twenty one percent rated the experience as being good while 5 percent rated it as fair, with just 1.1 percent indicating that it was unsatisfactory (Figure 4).

FIGURE 3: Have banks made an effort in improving their service standards?

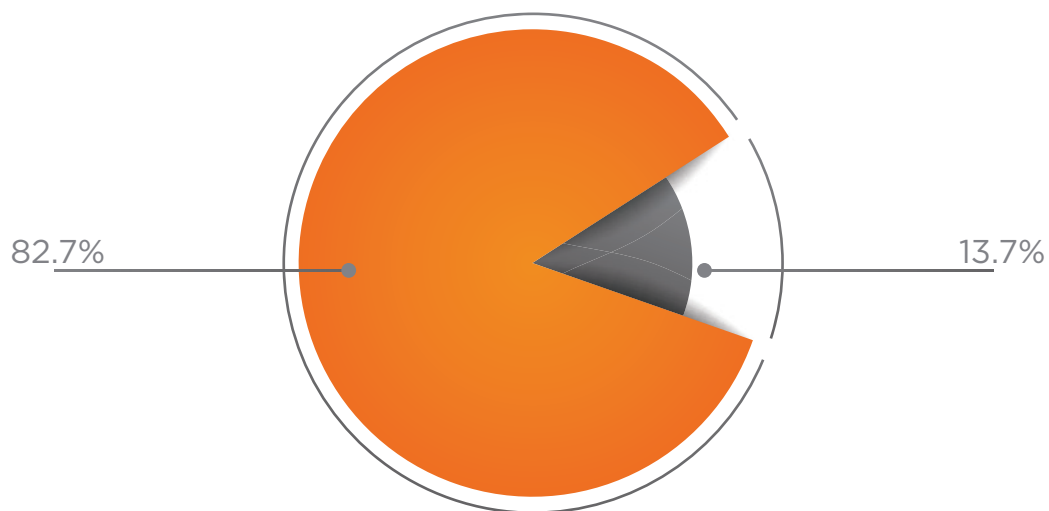
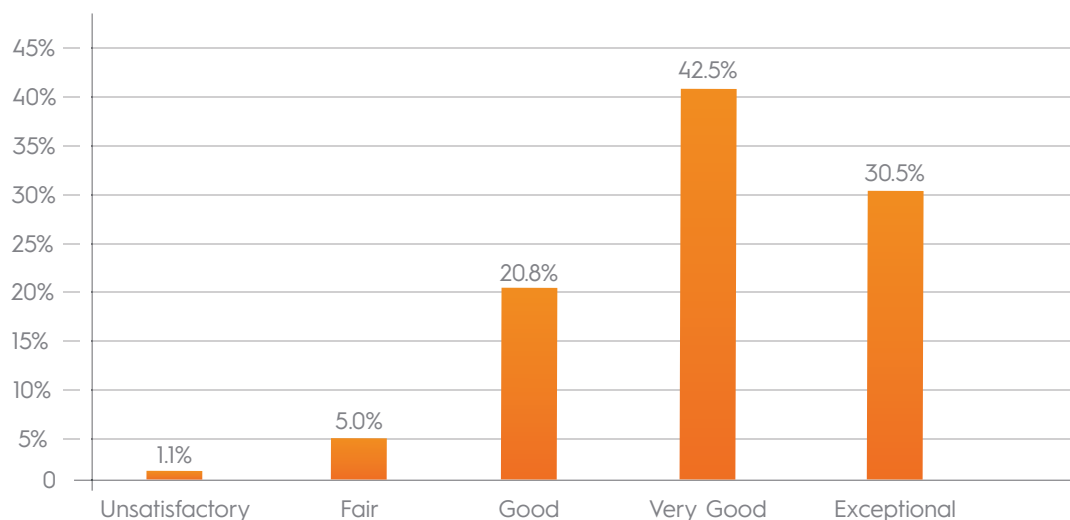
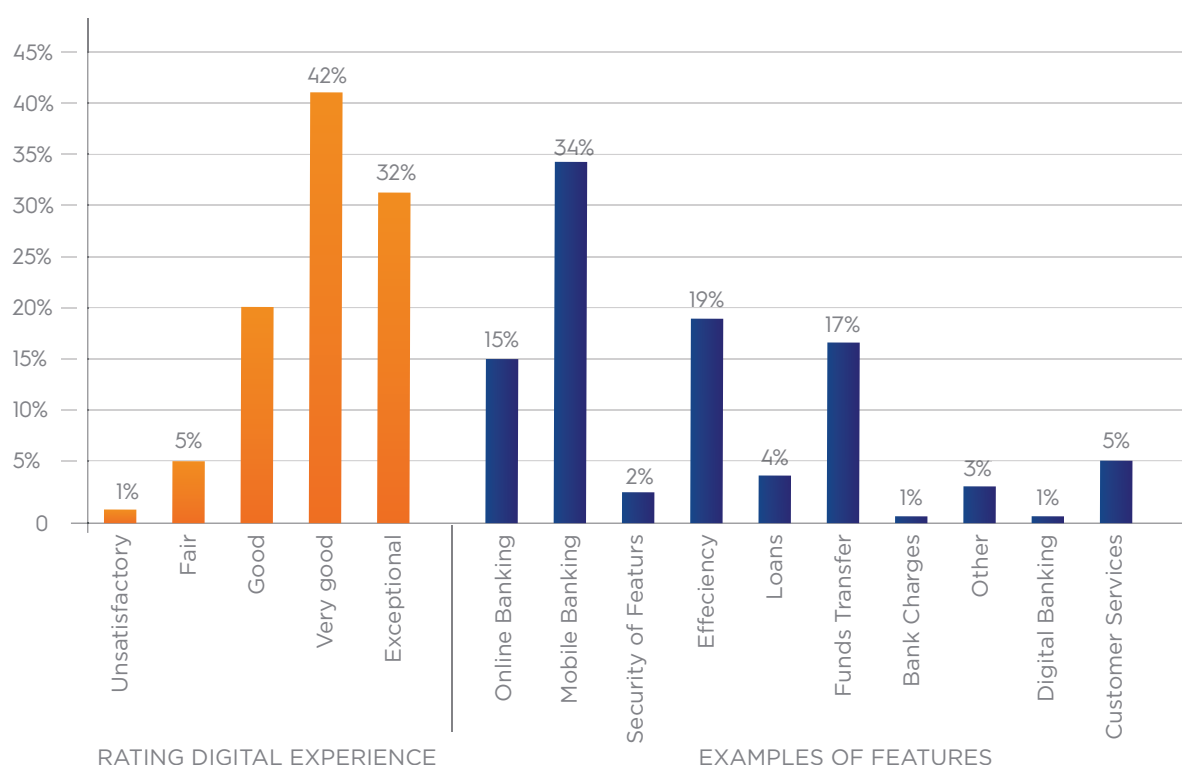


FIGURE 4: Rating on responsiveness and service delivery



On digital experience, 32 percent indicated that the experience was exceptional, 42 percent rated it very good, 20.4 percent rated it good, 4.9 percent rated it fair, with 0.9 percent reporting that it was unsatisfactory. The two most important features of the digital experience were mobile banking at 34 percent, and efficiency of the digital platforms at 19 percent (Figure 5).

FIGURE 5: Banks' customer rating on digital experience



## 4.2 Interaction Preferences

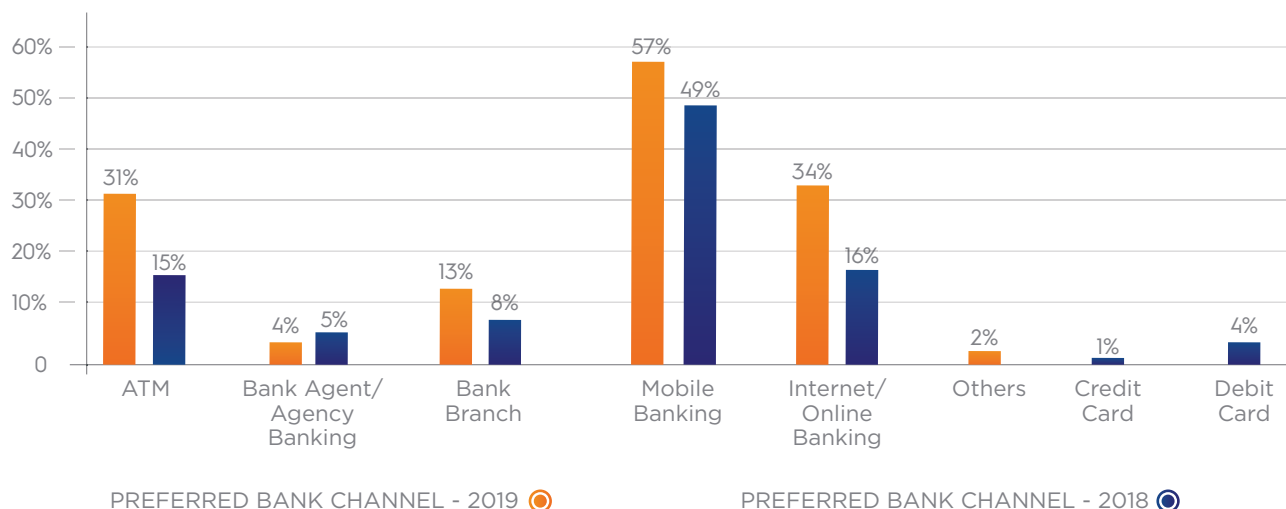
Digital banking platforms continued to be an important channel in 2019. Meanwhile, Internet and mobile banking usage has increased, although mobile banking rose at a much higher pace than Internet banking (Figure 6).

Preference for mobile banking in 2019 edged up by 8 percentage points to 57 percent from 49 percent in 2018. Similarly, the use of Internet banking continued to increase, with its use rising two-fold from 16 percent in 2018 to 34 percent in 2019. The high preference of mobile banking in part could be due to the high mobile phone penetration which has reached almost near-saturation levels compared to Internet adoption. Overall, this shows that customers' inertia over the use of digital channels is on a decline.

These transformations have been enabled by the bank's continued investment in lower-cost digital capabilities which have consequently boosted customers' adoption given their simplicity and convenience. Further, 31 percent prefer ATMs and another 13 percent prefer bank branches while only 4 percent prefer agency banking.

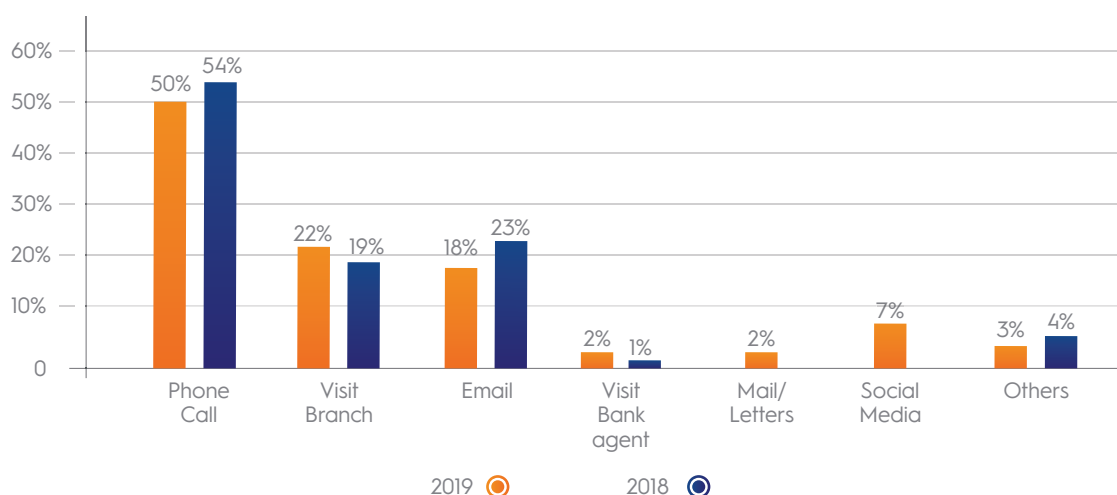


FIGURE 6: Is digital the new normal?  
Digital channels continue to grow in importance



As for the preferred way for handling queries and complaints, 50 percent of customers preferred making phone calls. Despite a clear shift by customers towards digital channels, branches are still an important channel for customer engagement as 22 percent still prefer to visit the branch. This, therefore, means that as banks continue to think of their branch network strategies, it is imperative not only to see them as simply a footprint for transactional purposes but to also see them as interaction hubs. The use of social media for queries and complaints handling was at 7 percent (Figure 7).

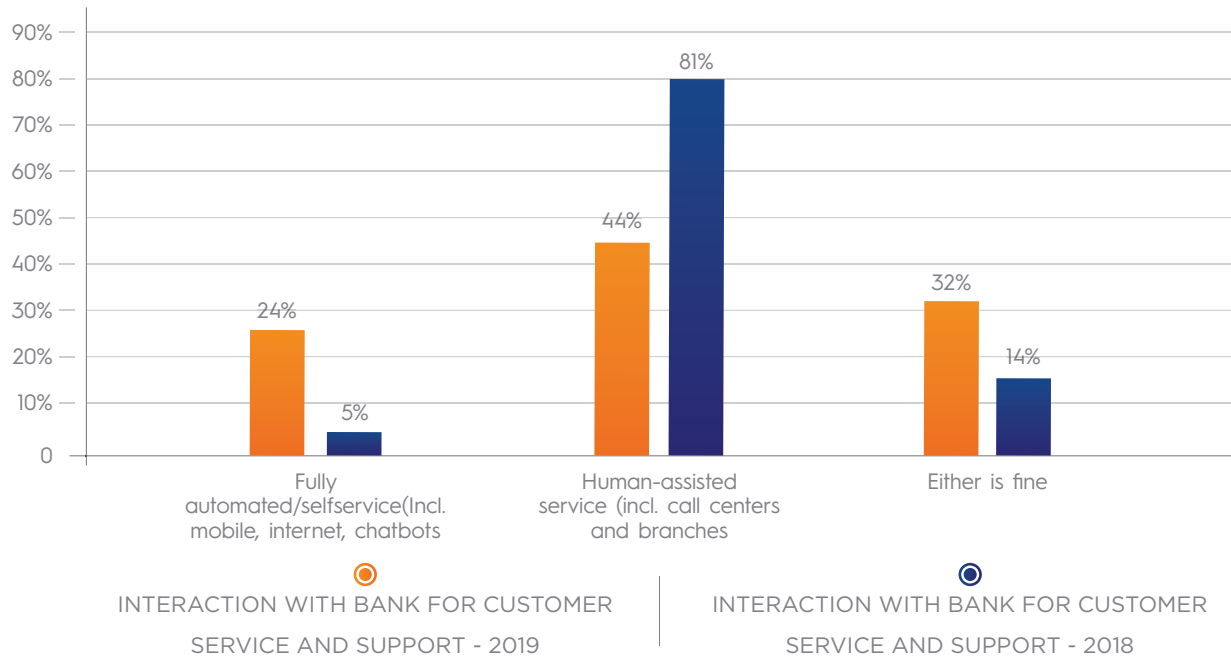
FIGURE 7: Preferred way to contact bank for queries and complaints



While digital continues to be the new normal for accessing banking services, human interactions remain key for customer service and support (Figure 8). Preference for human-assisted services declined from 81 percent in 2018 to 44 percent in 2019. The preference for fully-automated services increased five-fold from 5 percent in 2018 to 24 percent in 2019. However, whereas full automation offers convenience, human interaction continues to remain integral in customer service and support.

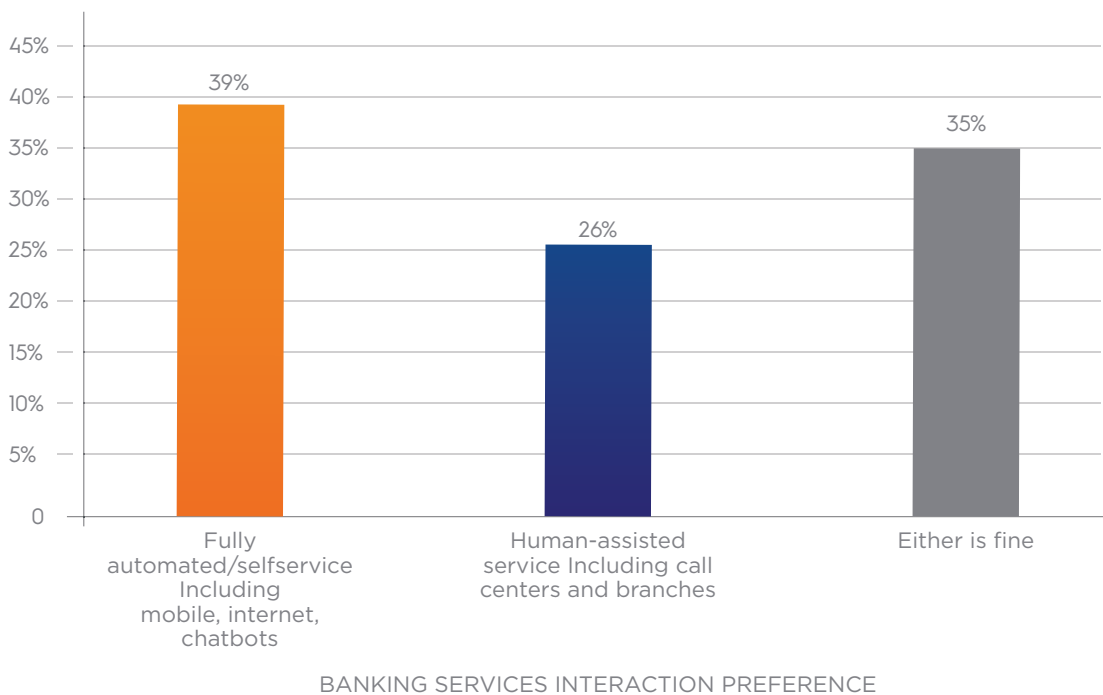


FIGURE 8: As digital continues to grow in importance, human interactions remain critical.



When accessing banking services, 39 percent prefer fully automated interactions, 26 percent prefer human-assisted services and 35 percent are indifferent (Figure 9).

FIGURE 9: Preference when accessing banking services



### 4.3 Interaction Preferences by Gender and Age

The use of digital channels is on the rise, although a significant percentage of customers still prefer human-assisted banking services. First, when broken down by gender, 70 percent of males prefer fully automated services when accessing banking services compared to 30 percent of females. Similarly, 67 percent of male customers prefer human-assisted services compared to 33 percent female customers, and 62 percent of male and 38 percent of female customers are indifferent between full-automation and human-assisted services (Figure 10).

FIGURE 10: Interaction preferences disaggregated by gender and age  
Panel A: Digital channels use on the rise but mostly dominated by males

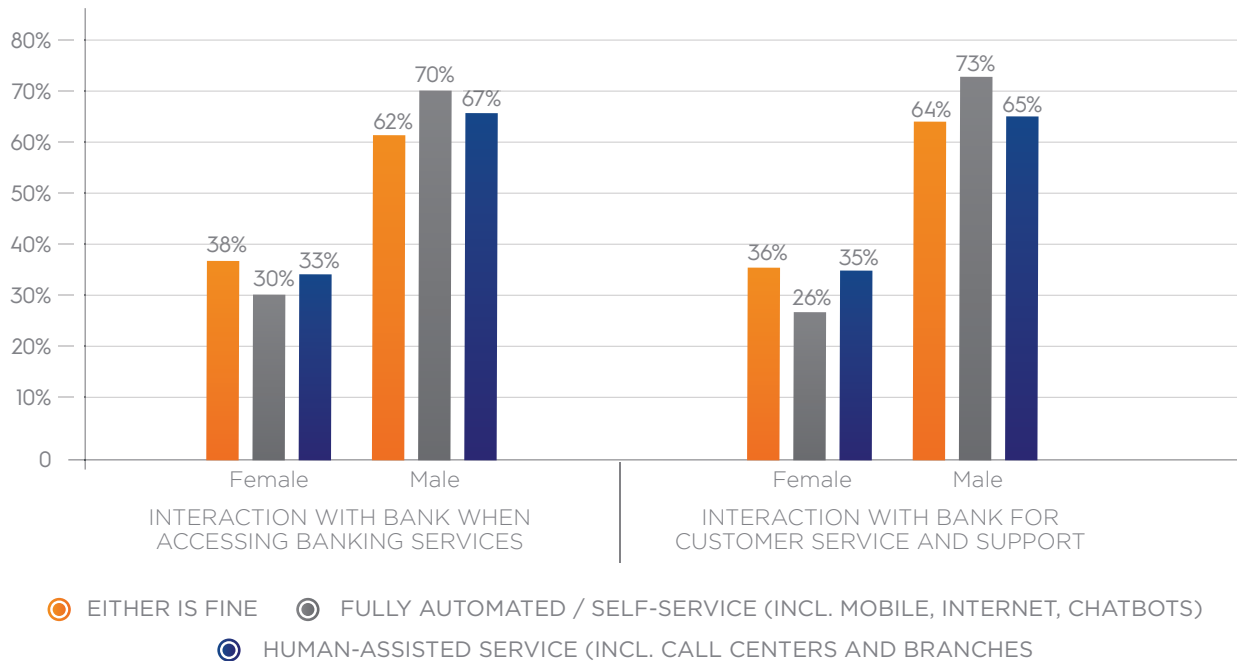
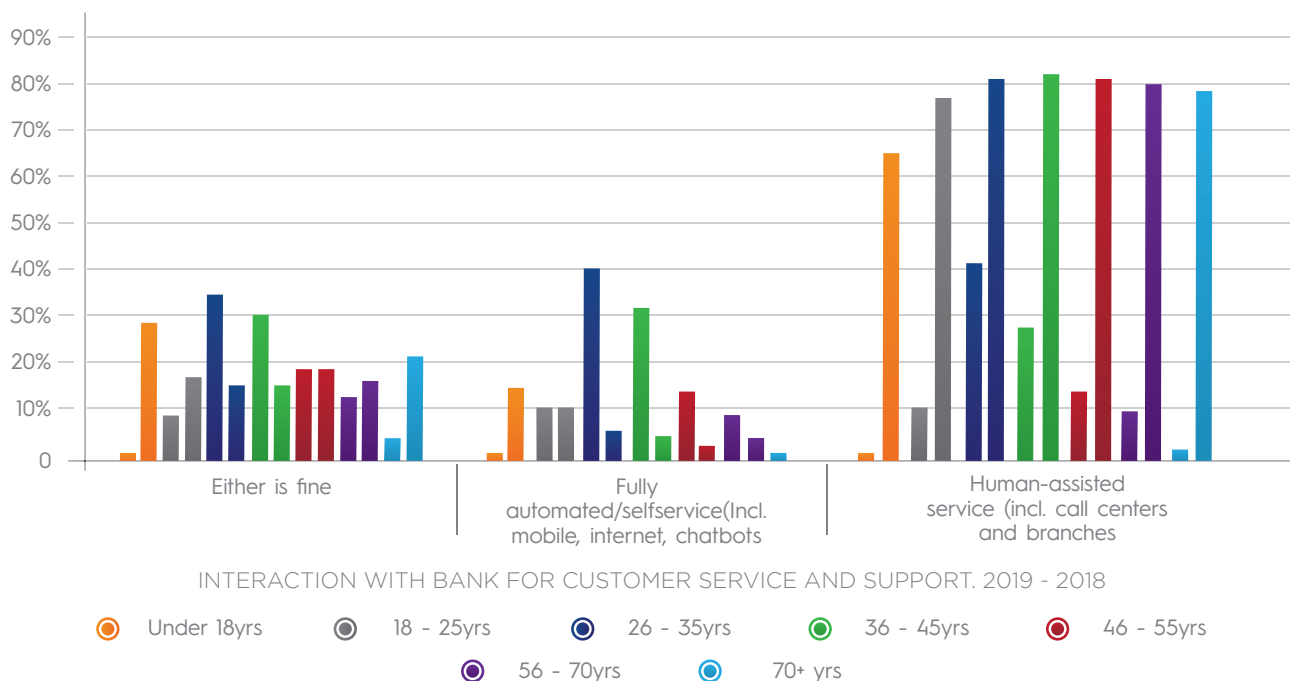


FIGURE 11: Interaction with bank for customer service and support



## 5. TRANSPARENCY IN PRICING AND DOCUMENTATION

Transparency in pricing and explaining the Terms and Conditions of contracts matters for two reasons: it impacts on customers' satisfaction and builds trust. According to the survey, 80 percent of customers indicated that banks typically explain the Terms and Conditions of their banking products. Out of the 80 percent, 21 percent reported that there is need for banks to better explain their product's Terms and Conditions (Figure 12).

On the preferred language, 97 percent reported English as the most preferred, with only 3 percent reporting Swahili as being their most preferred (Figure 13). This is not surprising given that most of the respondents are urban-based (i.e. 62 percent of the respondents were from Nairobi) and with access to the Internet (given that the survey was internet-based).

FIGURE 12: Bank's efforts in explaining Terms and Conditions

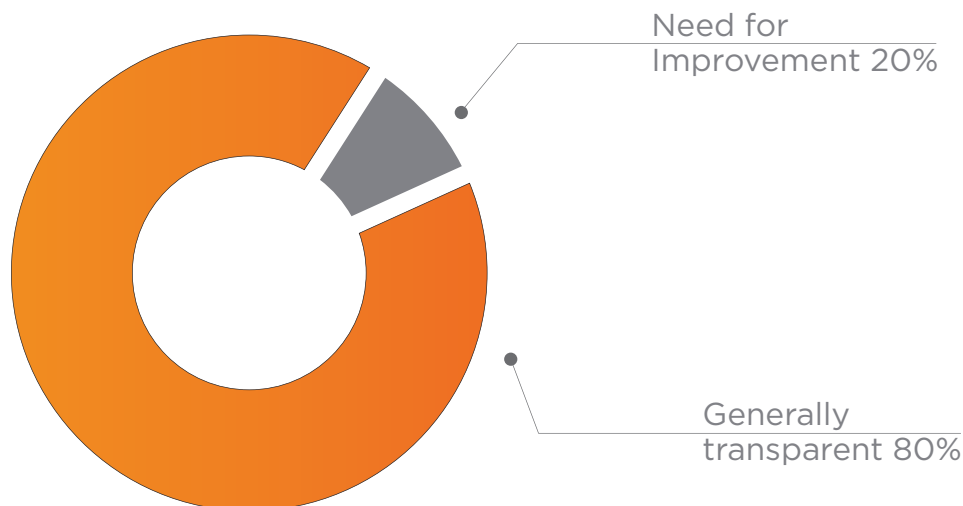
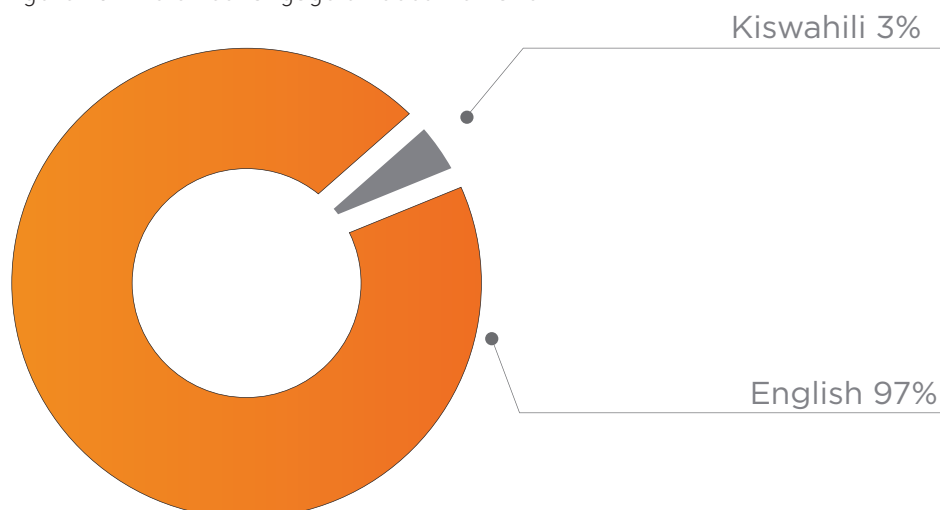


Figure 13: Preferred language of documentation



# ABOUT KBA

The Kenya Bankers Association (KBA) is the financial sector's leading advocacy group and the umbrella body of the institutions licensed and regulated by the Central Bank of Kenya (CBK). With a current membership of 46 financial institutions, KBA continues to reinforce a reputable and professional banking industry, in close collaboration with stakeholders from both the public and private sectors. As part of its efforts to drive growth in the financial sector, the Association has a fully-fledged Research Centre. The Center for Research on Financial Markets and Policy® offers an array of research, commentary, and dialogue regarding critical policy matters that impact on financial markets in Kenya.

Further, the Centre sponsors original research, provides thoughtful commentary, and hosts dialogues and conferences involving scholars and practitioners on key financial market issues. Through these activities, the Center acts as a platform for intellectual engagement

and dialogue between financial market experts, the banking sector and the policy makers in Kenya. It, therefore, contributes to an informed discussion that influences critical financial market debates and policies. Since its inception, the KBA Centre for Research on Financial Markets and Policy® has continued to play a lead role in conducting and facilitating research designed to develop solutions to challenges in the banking industry.

The effort has been motivated by the fact that the sector is an integral catalyst of economic development. The Centre convenes an annual research conference, which brings together a wide scope of stakeholders from both the public and private sectors to explore challenges in the financial sector. So far, close to 30 papers have been published under the KBA Working Paper Series, making a significant contribution to discussions on both policy and enterprise development. The Centre also releases periodical publications which include: Economic Bulletins, the KBA Housing Price Index, among other research initiatives.

## ACKNOWLEDGEMENT

The Kenya Bankers Association wishes to express its sincere gratitude to the Customer Service Working Group for playing an important role in refining the research tool for the survey. We would also like to express our gratitude to the thousands of bank customers across the country, who took the time to respond to the survey. The feedback will, without doubt, be invaluable and will certainly inform the Association's support to its members to enhance service delivery across the banking industry. The analysis of the Survey was led by Josea Kiplangat, supported by Nuru Mugambi and Hesborn Nyakundi.









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